DOCUMENT RESUME

ED 443 977 CE 080 534

AUTHOR Knight, Brian
TITLE Australian Vocational Education and Training: An Overview.
INSTITUTION National Centre for Vocational Education Research, Leabrook (Australia).
SPONS AGENCY Australian National Training Authority, Melbourne.
ISBN ISBN-0-87397-612-6
PUB DATE 2000-00-00
NOTE 49p.; Revised version of an appendix published in "Training Systems in South-East Asia"; see ED 442 009.
AVAILABLE FROM National Centre for Vocational Education Research, 252 Kensington Road, Leabrook, South Australia 5068, Australia; Tel: 08 8333 8400, Fax: 08 8331 9211, E-mail: vet_req@ncver.edu.au; Web site: http://www.ncver.edu.au ($11.55 Australian).
PUB TYPE Numerical/Quantitative Data (110) -- Reports - Descriptive (141)
EDRS PRICE EDRS Price MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS Apprenticeships; Certification; Competency Based Education; Continuing Education; *Delivery Systems; Developed Nations; Educational Needs; *Employer Attitudes; Employment Qualifications; Foreign Countries; *Government Role; *Job Training; Postsecondary Education; Secondary Education; Tables (Data); *Vocational Education
IDENTIFIERS *Australia

ABSTRACT

This publication provides a detailed description of Australia's vocational education and training system (VET), including key facts and figures. The eight sections of the report cover the following topics: (1) introduction to Australia; (2) overview of the education and training system; (3) overview of the vocational education and training system; (4) important features of the vocational education and training system; (5) apprenticeship and traineeship schemes; (6) the vocational education and training certification system; (7) accreditation of vocational education and training programs; and (8) accreditation of vocational education and training providers. Some positive features of Australia's vocational education and training system include high rates of participation by the working-age population; clear national policies and goals for VET; high levels of industry and government input and support; a strong system of public training institutions as well as good private providers; national accreditation; and a competency-based training system. The report contains 18 references. (KC)

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Australian Vocational Education and Training

An Overview

Published by the

National Centre for Vocational Education Research Ltd.

ABN 87 007 967 311

for the

Australian National Training Authority

© 2000 National Centre for Vocational Education Research

ISBN 0 87397 612 6
TD/TNC 62.06

Australian Vocational Education and Training: An Overview.

Comments and suggestions regarding this publication are welcome and should be forwarded to the address below.

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Published by
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LEABROOK SA 5068
Australia

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Foreword

I firmly believe that Australia is a world leader in vocational education and training. We have an advanced and sophisticated vocational education and training system, with many features not as yet found in other country systems. In fact, other countries frequently look to Australia as a model, or for advice, when seeking to develop their own training systems.

Because of this, I am particularly pleased to present this latest NCVER publication, *Australian Vocational Education and Training: An Overview*. It provides a detailed description of Australia's vocational education and training system and furnishes the reader with some key facts and figures. The authors have also given attention to vocational education and training in the broader context of education, training and skills formation in Australia.

The positive features of Australia's vocational education and training system are too numerous to list in detail here, but include:

- high rates of participation (12% of the working age population), with coverage of all major groups in the community and very positive employment outcomes for successful students
- clear national policies and goals for vocational education and training, including provision for on-going research and evaluation to promote system improvements
- considerable industry input into the training system, with a majority of employers of successful students having a positive view of the system
- high levels of both government and employer investment in vocational education and training
- a strong system of public training institutions, but with significant training provision by private and community providers, and competition among training providers
- a national framework for the recognition of vocational education and training, and an Australian Qualifications Framework covering all post-secondary education and training
- a competency-based training system, with modularised curricula and training packages, and effective arrangements for flexible delivery and distance learning

The text of *Australian Vocational Education and Training: An Overview* was first presented as an appendix in the book *Training Systems in South-east Asia*, which was published by the NCVER on behalf of SEAMEO VOCTECH in Brunei Darussalam, the regional centre for vocational and technical education set up by the South-east Asian Ministers of Education Organisation. However, I believe that the text is of sufficient interest and value to warrant publishing in its own right. Where relevant, the earlier text has been updated.

Australian Vocational Education and Training: An Overview is intended for both Australian and international readers. Consequently, the introductory sections include material which will be familiar to Australian readers but provides important contextual information for readers not familiar with Australia.

The text has been prepared by Brian Knight, Manager Data Reporting and Analysis at the NCVER, drawing on material from a wide range of sources, including a discussion paper, *Developing Indonesia's Vocational Education and Training System: Some Implications from the Australian Experience*, which I prepared for the Indonesian Ministry of Education.

I am confident that this book will be a valuable source of information for both Australian and overseas readers, and I commend it to you.

Chris Robinson
Managing Director, National Centre for Vocational Education Research Ltd

June 2000

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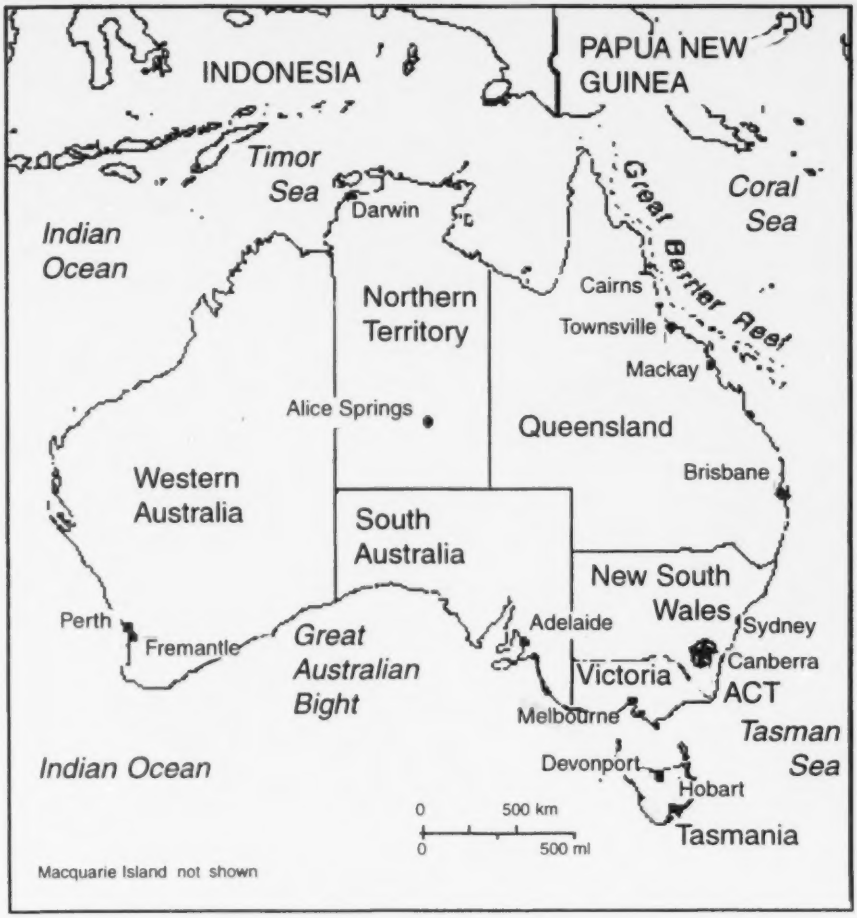
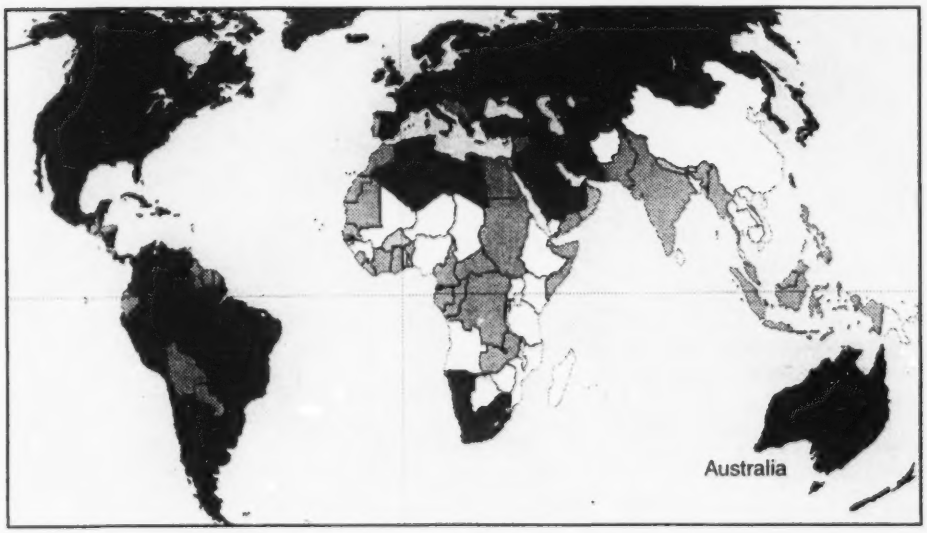


Australia and Her States and mainland Territories



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Introduction to Australia

Australia provides an example of a relatively complex and diverse, by international standards, vocational education and training (VET[1]) system which reflects the diversity of Australia's economy and society. Government and non-government agencies at all levels are involved in VET. The Australian vocational education and training system is constantly evolving to meet the emerging needs and changing demands of Australia's economy and society.

Geography and demography

Australia is a large, relatively isolated country located on the south-west of the Pacific rim. As an island continent, Australia has no land border with any other country. Its nearest neighbours are Papua-New Guinea and Indonesia to the north, and New Zealand to the south-east. Australia has a free-trade alliance with New Zealand, a defensive alliance with New Zealand and the United States of America (ANZUS), and more recently has entered into defence agreements with Indonesia. Since the end of the Second World War in 1945, Australia's links with its near-neighbours in the Asia-Pacific region have grown steadily in importance.

Great size and long distances are two of the distinguishing features of Australia. A voyage around Australia's coastline involves a journey of almost 20,000 kilometres and this perimeter encloses a land area equivalent to that of the United States of America (USA) excluding Alaska. However, most of the land is uninhabitable or suitable only for marginal economic activities.

In the early days of non-indigenous settlement by the British, the need to secure such a vast area and the desire to exploit its economic potential, led to the establishment of settlements located far apart around the coast. These settlements, together with Canberra, which was established much later, are now the capital cities and major centres of the eight States and Territories.

Although physically very large (nine million square kilometres compared with 10 million square kilometres for the USA), most of the country is uninhabited or only sparsely settled. Although rich in resources, it has long been recognised that environmental factors (e.g. fresh water supplies) place practical limits on the population which the country can support. The total population in 1999 was approaching 19 million (compared with 220 million for the USA). Although the overall population density is very low (about 2.1 persons per square kilometre), the great majority of the population is concentrated in the cities and major towns in coastal areas, particularly in the east and south-east and a small area in the south-west of Western Australia. In fact, since the first non-indigenous settlement, Australia has been highly urbanised, with close to 80% of the population living in the cities and major towns.

A major theme in Australia's history has been geographical isolation and the 'tyranny of distance', in terms of both the distance from other countries and the distance between major centres within Australia. For example, Sydney, Australia's largest city, is 3,300 kilometres from Perth, the largest city in the west, and 3,200 kilometres from Darwin, the largest in the north. Australia's smallest State, Tasmania, is separated from the mainland by more than 200 kilometres of rough seas, namely Bass Strait. However, in recent years major technological advances in transport and communication and the strengthening of links with near neighbours in the Asian region have ameliorated many of the adverse effects of distance on Australia.

Since World War II immigration has been an important contributor to population growth, to maintaining the demand for labour, and to the development of a multicultural society.

As a consequence of compulsory primary and lower secondary education over a long period, adult literacy in Australia is close to 100%, although 'functional literacy' is generally considered to be slightly lower.

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[1] The term 'vocational education and training' (VET) is used in Australia. It is essentially the same as other international terms used such as 'technical and vocational education and training' (TVET), 'vocational and technical education' (VTE) and 'vocational and technical education and training' (VTET).

Life expectancy at birth is now over 80 years for women and about 80 years for men. This, combined with low birth rates and reduced immigration in recent years, means that the proportion of older people in Australia's population has been increasing steadily. With the number and proportion of young people in the population declining, it is becoming increasingly difficult for Australia to meet its needs for a skilled and trained workforce from among the young. Training and retraining of older workers has become increasingly important and will continue to be so.

History and government

Australia was first settled by Europeans in 1788 as a British penal colony. Indigenous Aboriginal and Torres Strait Islander peoples had occupied the continent for thousands of years but the great majority were driven from their traditional lands by the new settlers. They now comprise about 2% of the total population. The original six colonies (New South Wales, Victoria, Queensland, South Australia, Western Australia and Tasmania) were united to form the Commonwealth of Australia in 1901. At the same time as the new nation was born it also gained independence from Britain. The British influence and traditions remained strong for much of the 20th century. However, during World War II a strategic alliance with the USA was formed and quickly grew in importance.

Since 1901 Australia has had a federal system of government. There are now eight democratically-elected State and Territory governments and a democratically-elected national government. Under the Australian constitution the national government has defined powers and all residual powers lie with the States. In practice, however, most government revenue and expenditure are controlled by the national government and this has allowed it to assume partial or even full control in areas where the constitutional authority rests with the States and Territories. Education and training are two areas where this extension of national government involvement has occurred.

Distance and population distribution have profoundly influenced the structure and efficiency of government in Australia. For example, the existence of eight separate State and Territory training authorities, geographically distant from each other, has on occasions resulted in duplication of effort when addressing the same or similar problems. Also, it has sometimes precluded the economies of scale which might result from a nationally consistent approach.

Effective co-operation between the Commonwealth and the States and Territories is now an important feature of Australian government. In the vocational education and training sector, with the establishment of the Australian National Training Authority in 1993 (Commonwealth of Australia Act No.203 of 1992), a large number of initiatives which are national, and nationally consistent, in their focus and scope have been implemented co-operatively through agreements at ministerial level between the Commonwealth and States and Territories. New Apprenticeships, the Australian Recognition Framework (ARF), the Australian Qualifications Framework (AQF) and the development of National Training Packages are just a few recent examples.

Economy

The Australian economy has grown steadily in the 212 years of European settlement, with relatively few periods of stagnation. Before World War II, primary industries (wheat, wool, meat, dairy products and minerals) were the largest single contributor to gross domestic product (GDP). Since World War II manufacturing and service industries have grown steadily in their contribution to GDP. Australia now exhibits one of the characteristics of advanced capitalist economies, namely, increasing employment in the service sector and declining employment in manufacturing. Although exports of primary products, coal and minerals continue to be critically important to the country's balance of payments, these industries now contribute only about 5% to total GDP.

Because of its relatively small population, the domestic market is small and Australia is heavily dependent on imports of many consumer and capital goods which must be offset as much as possible by exports. Consequently, Australia has strong trade links with many countries throughout the world, particularly the

Asia-Pacific region. In recent years growth has been assisted by the return of low inflation and low interest rates. Because of its dependence on trade and on world commodity prices, an economic slow-down was expected during 1999 as a consequence of the downturn in Asia. However, contrary to expectations, such a slow-down did not eventuate and Australia continued to experience high levels of economic growth.

Despite the underlying strength of the economy, in the last two decades unemployment in Australia has remained stubbornly high, in the range of seven to 10%, with much higher rates of unemployment among young people. Successive governments in Australia have sought to provide education and training opportunities as a means of addressing persistent unemployment among specific groups, particularly young people. Also, governments throughout Australia now place strong emphasis on high technology industries, supported by a well-educated and trained workforce, as a key to Australia's future prosperity.

Australians enjoy a very high standard of living and quality of life, among the highest in the world, with income more evenly distributed than in other wealthy countries. Factors which have contributed to this include the natural resources found in Australia, social and political stability, steady and sustained economic growth, the diversity of economic activities, continuous government investment in both economic and 'social' infrastructure (for example, education and training), the relatively small population, and controlled but responsive immigration programmes to expand the available workforce.

A prominent Australian economic historian, Noel Butlin, once observed that Australia had always managed to produce the proverbial 'rabbit out of the hat' at key points in its economic development, for example, wool early in the 19th century, gold in the middle of the 19th century, wheat early in the 20th century, coal and iron ore later in the 20th century, and so on. One of the fastest growing export industries, wine, is perhaps the most recent example of a rabbit produced from this hat of continental proportions. However, in the 21st century it seems less likely that Australia will produce many more rabbits out of the hat. Instead, Australia's future prosperity will depend even more than it does now on developing the skills of its people and using these productively, especially in high-technology and 'knowledge' industries.

Overview of the education and training system

Main principles

Historically, the Australian education system has been based on the following general principles:

- compulsory education from ages five to 14 years
- largely free primary and secondary education
- equality of access and opportunity for all groups in the community
- recognition of social, cultural and religious diversity
- the need to impart basic skills and competencies in key areas (for example, social development, literacy, numeracy, technological awareness)
- the need for preparation for the world of work and the real workplace environment
- opportunities for progression to higher education or vocational education and training
- selection based on merit (for example, in the selection of Year 12 graduates for university places).

In recent years greater emphasis has been placed on the teaching of skills required in the workplace. At the same time, the introduction of 'user-pays' policies and increases in basic charges (for example, books and equipment levies by government schools) have undermined some of the basic principles of the Australian education and training system. Nevertheless, the Australian education and training system provides a wide range of opportunities to people of all ages and, in contrast to many other countries, there are relatively few barriers to educational and training opportunities which allow individuals to develop their interests and potential to the full.

Primary and secondary education

The education and training system in Australia includes the following levels:

- pre-school (up to two years, usually for children aged three to four years)
- reception or kindergarten (one year)
- primary school (Year 1 to Year 6, six years)
- lower secondary school (Year 7 to Year 10, four years)
- upper secondary school (Year 11 and Year 12, two years)
- vocational education and training (of no fixed duration and may begin at secondary school)
- higher education (three to five years for a degree or honours degree)
- post-graduate higher education (no fixed duration)
- adult and community education (no fixed duration).

Although primary schooling usually starts at the age of five years, many children attend pre-school for one or two years before starting primary school. A typical education then starts at the age of five years with one year of reception (kindergarten), followed by six years of primary school, four years of lower secondary schooling, and two years of upper secondary schooling (in the State of South Australia and the Northern Territory, the pattern is actually 1:7:3:2 while for the States of Queensland and Western Australia, the pattern is 0:7:3:2 (that is, no reception year)). Attendance at school is compulsory until the age of 15 years is reached. Consequently, those who have undertaken school education in Australia have completed at least nine or 10 years of schooling. In the early 1990s, the proportion of young people proceeding from Year 10 to Year 12 peaked at around 90% but has since fallen, although the rate is still higher than in the early 1980s.

Post-school education

School education may be followed by three or more years of university education or vocational education and training, ranging from just a few months to several years. Increasingly, students undertake some vocational education and training while still at school and in some States and Territories, joint secondary school-VET programmes are available from Year 10 onwards. The most usual patterns of progression through the education and training system are:

- Year 10/11/12 to the workforce.
- Year 12 to higher education.
- Year 10/11/12 to vocational education and training (including apprenticeships and traineeships)

However, provision also exists for adult entry or re-entry to upper secondary education, university study or vocational education and training. With increased emphasis on lifelong learning and the need for skills upgrading and retraining, the ready availability of these alternative pathways is particularly important. An emerging pathway is university graduates undertaking vocational education and training to improve their employment skills.

The community education sector is also important, particularly for adults. Community providers deliver both vocational and general education and training programmes, as well as recreation and leisure and personal enrichment programmes[2]. In some States and Territories the community education sector is supported by government grants and subsidies.

Estimates of total education participation rates in all forms of education and training in Australia in the relevant age cohorts are:

- The net primary school participation rate was 98% (in 1995).
- The net secondary school participation rate was 89% in 1995 but has fallen since.
- The tertiary (that is, vocational education and training and university) participation rate for youth was 72% in 1995 (Lenahan, Burke, Hing Tong Ma 1998, p.22).
- In 1998, 12% of the working-age population aged 15 to 64 years undertook some form of vocational education and training with providers who received public funds.
- A further 3% of the working-age population in 1998 undertook personal enrichment education and training.

[2] Recreation, leisure and personal enrichment programmes do not have a specific vocational intent but may include vocationally useful knowledge and skills and may articulate, in an informal way, with specifically vocational programmes.

Overview of the vocational education and training system[3]

Historical Development of Australia's vocational education and training system

Australia has put substantial reforms into place to its vocational education and training (VET) system over the past 20 to 30 years in order to try to better meet a rapidly changing set of economic and social needs.

Considerable emphasis has been placed on the development of a VET system that is able to develop the contemporary skills of the workforce to enable Australia to better adjust to the rapid technological change and the increasing globalisation of the world economy.

The Australian VET system has evolved over a long period of time. Some of the key developments and milestones are:

- early 1800s: the 'transportation' of the craft-based apprenticeship system from England
- early 1800s to 1960s:
  - the gradual expansion of apprenticeships across different craft areas/occupations, but in a different way in different colonies or states and territories
  - the gradual establishment of 'mechanics institutes', technical colleges, technical secondary schools and other technical, vocational education and training institutions in different ways in different jurisdictions (with little national government funding)
- 1970s: the establishment of the modern VET system through
  - the establishment of a national system of publicly funded Technical and Further Education (TAFE) institutes and the introduction of significant national government financial support for TAFE following the release of the Kangan Report (Kangan 1975)
  - the introduction of national government subsidies for apprenticeships
- early 1980s: the National Centre for Vocational Education Research (NCVER) is established, then it was called the TAFE National Research and Development Centre
- mid 1980s: the establishment of the traineeship system to compliment apprenticeships following the release of the Kirby Report in 1985 (Kirby 1985)
- late 1980s: the decision to implement competency-based training
- 1990: the number of apprentices reaches a yet to be broken record of just over 160,000 (but traineeships are still less than 12,000 at this time)
- 1992: the Australian National Training Authority (ANTA) is established
- 1992: the total number of VET students in Australia reaches 1 million for the first time
- 1995: the Australian Qualifications Framework (AQF) is established to bring all post compulsory education and training qualifications into the one national system of qualifications
- early 1990s: competition to TAFE's monopoly on VET provision is gradually introduced through some tendering of publicly funded VET to private training providers
- mid 1990s: the decision is taken to start developing National Training Packages to be introduced across a wide range of industries and occupations
- 1998: the New Apprenticeship system commences encompassing the former apprentice and traineeship systems, including the commencement of user choice
- 1998: the Australian Recognition Framework (ARF) is established
- 1998: the number of VET students in Australia reaches a record 1.5 million
- 1999: the number of New Apprentices (that is, apprentices and trainees) reaches 250,000.

Details of the historical development of Australia's VET system are described in Goozee 1995 and Ray (forthcoming).

[3] The material in the remainder of this chapter is reproduced, with updates and amendments, from Robinson C (Managing Director, National Centre for Vocational Education Research Adelaide, Australia) *Developing Indonesia's Vocational Education and Training System: Some Implications from the Australian Experience*.

Structure of Australia's vocational education and training sector

The Australian vocational education and training system is characterised by considerable diversity and flexibility and, by world standards, high levels of participation. There are many and various ways in which people in Australia gain the skills needed to enter the workforce for the first time, to re-enter the workforce, to retrain for a new job or to upgrade skills for an existing job. The various pathways include:

- Gaining work-related skills through general secondary education or through a specific vocational education and training programme run in schools.
- Gaining work skills by undertaking a vocational education and training subject offered by a Technical and Further Education (TAFE) institute or another registered vocational education and training provider.
- Gaining more intensive work skills through participation in a full vocational education and training course offered by a TAFE institute or other registered vocational education and training provider leading to a certificate or diploma qualification.
- Undertaking an apprenticeship or traineeship with a registered vocational education and training provider, which usually combines formal off-the-job training with on-the-job training.
- Gaining professional skills through a graduate or post-graduate award programme at a university.
- Work-related skills gained through training provided to employees by employers which may be:
  - formal and lead to a nationally accredited certificate or diploma
  - structured but not articulated to a formally recognised qualification
  - unstructured training provided on-the-job which has no predetermined training plan or formally organised content.

A wide range of other training or adult education programmes exist in Australia which are job-related to varying degrees. They are provided on a fee-for-service basis by various private (registered or unregistered) training organisations and adult and community education organisations.

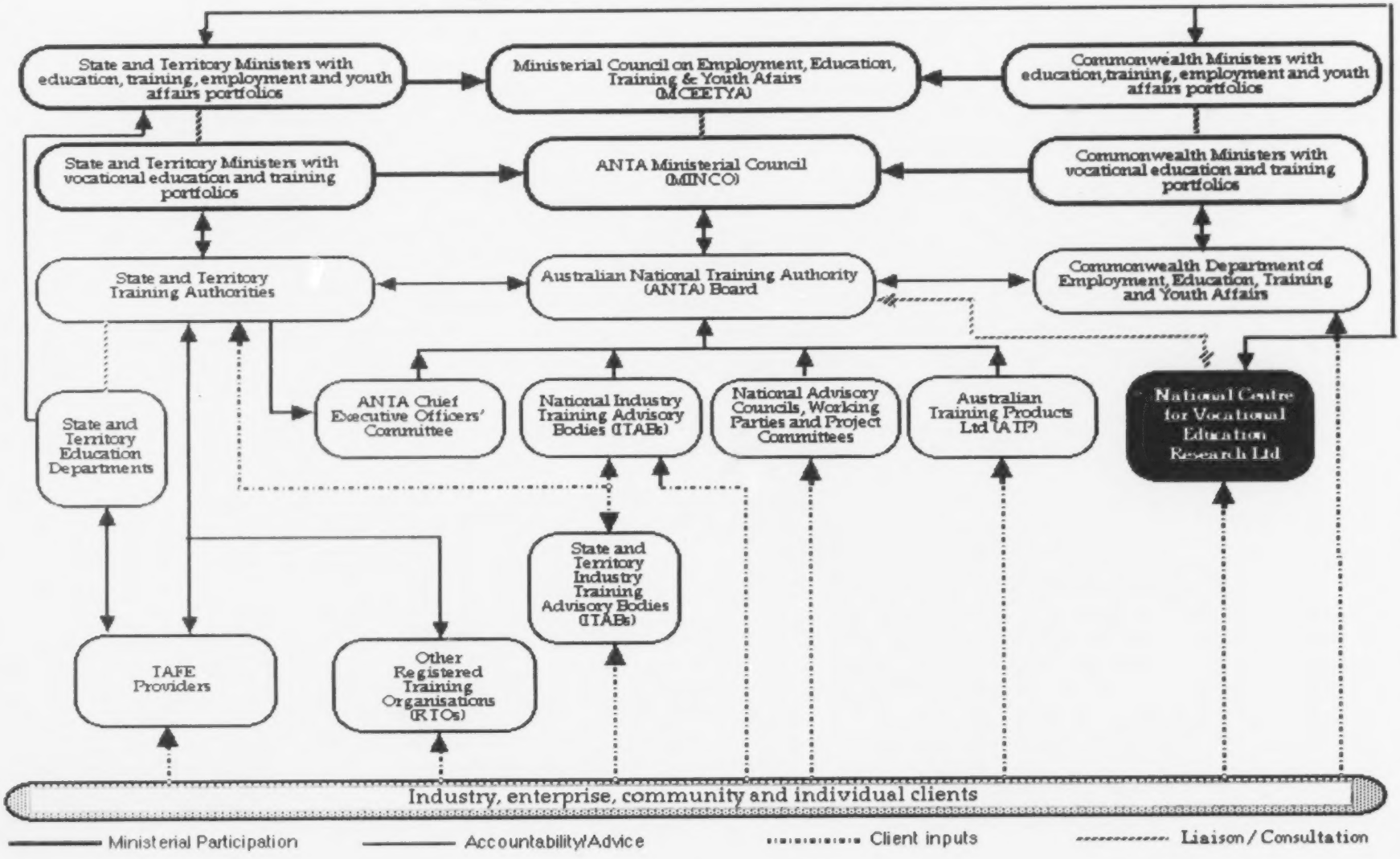
Unlike a number of other countries, Australia does not have a system of specialist vocational secondary schools or technical high schools. Several decades ago such a system existed in some parts of Australia. Today, however, specific vocational programmes within general secondary schools are becoming increasingly popular.

Not all of the above education and training pathways are considered to be part of the vocational education and training sector in Australia. The vocational education and training sector normally refers to a recognised vocational education and training programme undertaken through a registered training provider. Most vocational education and training programmes are undertaken in a TAFE institute, although private training organisations and adult community education providers are becoming increasingly important providers of VET. Some enterprises, schools and universities are also registered vocational education and training providers, although the majority of schools and universities are not registered providers of formal vocational education and training programmes.

Thus, most university programmes, general secondary education, instructional training provided by employers and most programmes provided on a fee-for-service basis by private and community training organisations are not considered part of the formal vocational education and training system in Australia. Nevertheless, these skill formation pathways are important in the total development of work-related skills in Australia.

Overall, Australia has a complex vocational education and training system as can be seen from figure 1.

Figure 1: The Structure of Australian VET


State and Territory Ministers with education, training, employment and youth affairs portfolios
Ministerial Council on Employment, Education, Training & Youth Affairs (MCEETYA)
Commonwealth Ministers with education, training, employment and youth affairs portfolios
State and Territory Ministers with vocational education and training portfolios
ANTA Ministerial Council (MINCO)
Commonwealth Ministers with vocational education and training portfolios
State and Territory Training Authorities
Australian National Training Authority (ANTA) Board
Commonwealth Department of Employment, Education, Training and Youth Affairs
State and Territory Education Departments
ANTA Chief Executive Officers' Committee
National Industry Training Advisory Bodies (ITABs)
National Advisory Councils, Working Parties and Project Committees
Australian Training Products Ltd (ATP)
National Centre for Vocational Education Research Ltd
State and Territory Industry Training Advisory Bodies (ITABs)
TAFE Providers
Other Registered Training Organisations (RTOs)
Industry, enterprise, community and individual clients
Ministerial Participation
Accountability/Advice
Client inputs
Liaison / Consultation

The major organisations involved in vocational education and training, and their roles

The national system is a joint responsibility of the national (that is, Commonwealth) government and the eight State and Territory (that is, provincial) governments. The major organisations are listed in table 1.

The key national decision-making body is a council of ministers responsible for training from the national and State and Territory governments (known as the 'ANTA ministerial council' or MINCO). This ministerial council also takes account of the decisions of a larger national ministerial council, namely, the Ministerial Council for Employment, Education, Training and Youth Affairs (MCEETYA), which frames national policy across the wider set of issues in the sphere of employment, education, training and youth affairs.

Table 1: Major organisations in the Australian vocational education and training system

Body or organisation	*Acronym*	*Role and responsibilities*
Ministerial Council for Employment, Education, Training and Youth Affairs	MCEETYA	National policy for all of employment, education, training and youth affairs
Minsiterial Council for Vocational Education and Training	MINCO	National policy for vocational education and training
Department of Education, Training and Youth Affairs	DETYA	National policy advice, funding, strategic planning etc for education, training and youth affairs
Australian National Training Authority	ANTA	National policy advice, strategic planning etc for vocational education and training
State and Territory training boards and training authorities (eight)	Various	State/territory policy, planning, system management etc for vocational education and training
National industry training advisory boards	National ITABs	Identify and advise on training needs nationally for specific industries
State/territory industry training advisory boards	State/Territory ITABs	Identify and advise on training needs at state/territory level for specific industries
Australian Qualifications Framework Advisory Board	AQFAB	Maintains and reviews the Australian Qualifications Framework (AQF)
Australian Training Products Limited	ATP	Develops and publishes national training products and materials
National Centre for Vocational Education Research Ltd	NCVER	Key agency for vocational education and training research, evaluation, information and statistics at all levels

The key national agency with responsibility for advising on national planning, funding and strategic objectives to achieve a national focus for vocational education and training in Australia is the Australian National Training Authority (ANTA). ANTA is a Commonwealth statutory authority which is governed by an industry board (i.e., government-funded but independent).

The Commonwealth Department of Employment, Education, Training and Youth Affairs and each State and Territory training authority have the primary policy and operational responsibility to implement nationally agreed vocational education and training decisions in their respective jurisdictions.

Australia has a highly developed system of industry training advisory bodies (ITABs) operating at both the national and State and Territory levels. ITABs provide advice on key training issues within a particular industry, and their boards are comprised of industry, business and labour union representatives. National ITABs receive financial support from ANTA to perform a variety of tasks, the most important being to participate in national planning of the vocational education and training system and to develop national industry standards for training.

The National Centre for Vocational Education Research (NCVER) is the other major national government vocational education and training body in Australia. The NCVER has responsibilities for developing and implementing Australia's national vocational education and training research and evaluation effort, together with the collecting and reporting of national statistical and other information about vocational education and training.

Australia's governments have also established a non-profit company, called Australian Training Products Limited, to develop and publish national training products and materials. There is also an array of other, government-initiated advisory bodies and committees involved in the vocational education and training sector at both national and State and Territory levels.

Importantly, each State and Territory has a State training authority which is responsible for:

- On-going management of government providers and registration of non-government providers in vocational education and training.
- Implementation of the national recognition framework, which is progressively replacing the former national curriculum arrangements.
- Management of the State or Territory training profile (STP).
- Allocation of funds to vocational education and training providers to meet targets specified in the State or Territory training profile and ANTA 'growth-through-efficiency' targets.
- Collecting and reporting information under agreed national reporting arrangements.

An important recent trend has been the combining of State and Territory departments for vocational education and training with State and Territory education departments, as part of the programme to promote closer links between secondary education and vocational education and training and to deliver programmes which combine secondary education and vocational education and training to students who are still at school.

Providers of vocational education and training

In the past, vocational education and training in Australia was delivered exclusively by Technical and Further Education (TAFE) institutes, with overall strategic directions, planning and funding provided by State and Territory training authorities. In 1992 the Australian National Training Authority was established to ensure greater co-ordination of policy and planning in vocational education and training and to co-ordinate the distribution of national funding to States and Territories.

In Australia, vocational education and training programmes are now delivered by a wide range of providers in both the government and private sectors (table 2).

Table 2: Providers of vocational education and training in Australia, by sector

Government sector	*Private sector*
Technical and Further Education (TAFE) institutes	Private providers not in receipt of government funds
Agricultural colleges	Private business colleges
Some higher education institutions	Enterprises providing training to their employees
Multi-sector providers and campuses	Suppliers providing training in product use
Secondary schools	Unregistered community providers
Registered community providers	
Aboriginal education providers	
Private providers under contract to governments	

Each year, about 12% of the population of 15 to 64 year olds in Australia undertakes some form of vocational or technical education and training with providers in receipt of government funds. In addition, an unknown number of individuals undertake training with private training providers. In 1997, the training undertaken by individuals with government-funded providers amounted to the equivalent of about 300 million hours of classroom time. Total accrual-based operating expenditures by the government sector in 1997 and 1998 was around $A4 billion, and the capital assets of the government-funded vocational education and training system were valued at over $A5 billion. Equivalent figures for the private vocational

education and training sector are not available. However, estimates indicate that non-government expenditure on training is similar in magnitude to government expenditure.

Funding of vocational education and training

The overall vocational education and training effort in Australia is funded from both government sources (mainly government recurrent funding) and private sources (for example, companies purchasing training for their employees). Individuals also make a contribution through the payment of fees. In 1997 and 1998, public funding of vocational education and training in Australia reached $A4.0 billion which represented almost 0.8% of total GDP in 1997. Around 30% was provided by the national government and the remainder by State and Territory (that is, provincial) governments. Australian governments spent around 5.7% of gross domestic product (GDP) on all forms of education and training (that is, schooling, vocational education and training and universities) in 1994 (Lenahan, Burke and Hing Tong Ma 1998, p. 19).

At the provider level, specific allocations are made by government training authorities to TAFE institutes and other public training providers and to a range of community and private training providers to enable them to provide vocational education and training to industry and students (the 'clients' of the system).

Vocational education and training programmes in 1997 were provided by:

- Around 100 TAFE or other-government institutes (such as agricultural colleges and universities providing vocational education and training programmes) operating at some 1,000 separate locations around Australia.
- Some 600 community education centres.
- Almost 1,500 other registered training providers including private training organisations, schools, special industry training centres, and business enterprises who provide formal training.

Increasingly greater amounts of public funding are put up for competitive tendering among TAFE, community-based and private training providers. It is important to note that there are over 3,500 registered training organisations in Australia, so not all of them are providing publicly-funded vocational education and training programmes in any one year.

A small but significant group of vocational education and training participants are full-fee paying overseas students, mostly from South-east Asia, who are granted a special immigration visa to study in Australia. These students study in Australia and on completion of their course return to their home country (see, for example, *Australian vocational education and training statistics 1996-97: Overseas students at-a-glance*).

The Australian Qualifications Framework

In Australia there are six different core vocational education and training qualifications being offered under a new comprehensive national system of education and training qualifications called the Australian Qualifications Framework (AQF). They are shown in table 3. A seventh qualification, the Senior Secondary Certificate, is also offered by some TAFE institutes. In addition, under the AQF a 'Statement of Attainment' may be issued for partial completion of a full qualification. The AQF was first introduced in 1995 and was progressively phased in over a five-year period ending December 1999.

The AQF is designed to provide consistent recognition of the successful outcomes from education and training across all sectors of senior secondary schooling and universities. The AQF recognises the integration of learning in the workplace with structured training (with apprenticeships and traineeships being mostly Certificates II to IV under the AQF). Moreover, the AQF was designed to provide a clear and rational structure in which an increasingly deregulated training market can operate while maintaining credibility within the overall education and training system.

Table 3: The Australian Qualifications Framework (AQF)

Schools sector	*Vocational education and training sector*	*Higher education sector (i.e. university)*
		Doctoral Degree
		Masters Degree
		Graduate Diploma
		Bachelor Degree
	Advanced Diploma	Advanced Diploma
	Diploma	Diploma
	Certificate IV	
Senior Secondary	Certificate III	
Certificate of Education	Certificate II	
	Certificate I	
	Statement of attainment (part-qualification)	

Source: Australian Qualifications Framework Advisory Board 1996

AQF qualifications can be attained in various ways including:

- Through the classroom in a TAFE or other registered vocational education and training provider on a full or part-time basis.
- In the workplace through a structured training programme.
- In an industry training centre.
- Through 'off-campus' modes of study such as open or distance learning.
- Through various combinations of the above.

The AQF system in the vocational education and training sector is based on a set of competency standards which need to be achieved in different training programmes, rather than qualifications being set according to the amount of time taken to undertake a course of study. Thus, different people can take different amounts of time to complete any given qualification.

Nevertheless, the typical time span for of each AQF qualification is as follows:

- Certificate I and Certificate II programmes take the equivalent of around half a year of full-time study to complete.
- Certificate III and Certificate IV programmes take the equivalent of one year of full-time study to complete.
- Diploma and Advanced Diploma programmes typically require the equivalent of two years of full-time study, although some programmes require the equivalent of three years of full-time study.

Participation in VET

The number of students in publicly-funded vocational education and training programmes each year in Australia has grown very strongly over the past decade. Ten years ago under one million people participated in vocational education and training in Australia (table 4 and figure 2). Today, over 1.5 million people undertake publicly-funded vocational education and training programmes. This represents over 12% of the entire Australian population aged 15 to 64 years (that is, the working age population).

People can enrol in a vocational education and training programme simply to gain skills from one or more modules (that is, short courses), or they can undertake a full programme (that is, a full course) leading to a certificate- or diploma-level qualification.

Most vocational education and training students in Australia study part-time. Although the average was 207 hours per student in 1997, half of all vocational education and training students were enrolled in programmes of under 100 hours of training. Only around 10% of Australia's vocational education and training students undertake a course as full-time, full-year students. Students over the age of 25 years undertake fewer hours per year, on average, than younger students. The proportion of female students in vocational education and training in Australia has now reached almost 50% (table 4 and figure 2).

Table 4: Number of vocational education and training students in Australia, 1988 to 1998

	Number in vocational education and training ('000) (b)			
Year (a)	*Males*	*Females*	*Persons*	*Proportion who are females (%)*
1988	503.5	448.0	951.6	47.1
1989	492.7	439.6	932.6	47.1
1990	534.1	432.7	966.8	44.8
1991	541.1	444.8	985.9	45.1
1992	572.1	470.4	1042.5	45.1
1993	606.9	514.5	1121.4	45.9
1994	612.3	519.2	1131.5	45.9
1995	672.2	600.5	1272.7	47.2
1996	706.3	641.1	1347.4	47.6
1997	756.9	701.7	1458.6	48.1
1998	790.7	744.5	1535.2	48.5

(a) Minor changes were made to the collection arrangements for the scope of the series in 1993 and 1994. Moreover, community providers of vocational education and training were included since 1995 and private providers since 1996

(b) Numbers who participated at some time throughout the calendar year

Source: NCVER, 1998a

The proportion of Australia's vocational education and training students who are of school age, early secondary school leavers or entry-level trainees is relatively small. Only 22% of all vocational education and training students are under 20 years of age, although they account for one-third of the total training hours delivered (table 5).

Figure 2: Number of vocational education and training students in Australia, 1988 to 1998

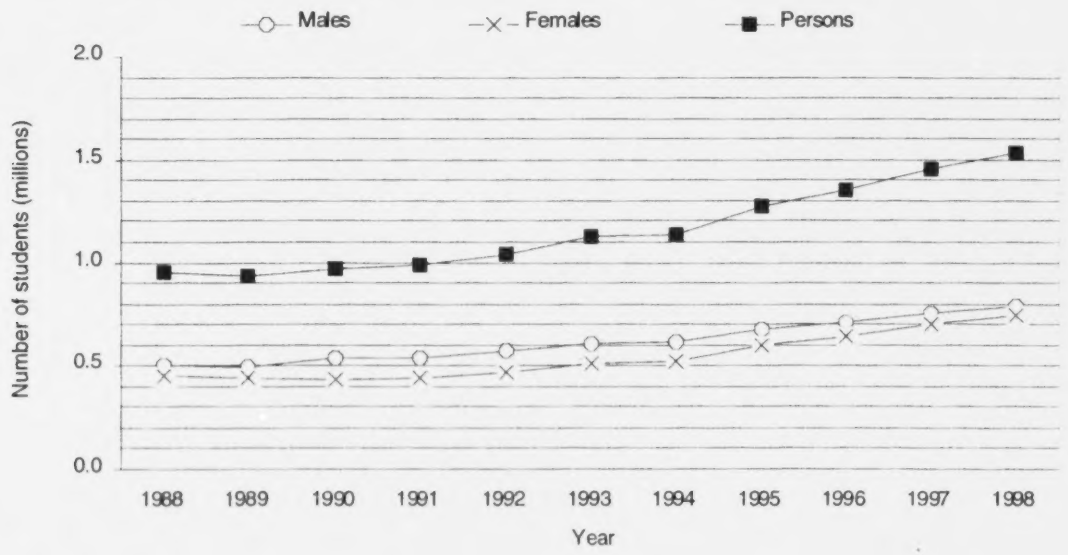


Table 5: Age and sex of vocational education and training students in Australia, 1998

Characteristic	*Proportion of students (%)*	*Proportion of total hours of training delivered (%)*	*Average hours per student (a)*
Sex			
Male	51.5	52.3	207
Female	48.5	47.7	200
Total	*100.0*	*100.0*	*204*
Age			
Up to 19 years	21.8	32.5	303
20 to 24 years	16.9	21.7	261
25 to 39 years	34.3	28.9	172
40 to 64 years	25.6	16.5	131
Other (includes unknown)	1.4	0.5	73
Total	100.0	100.0	204

(a) A full-time load is regarded as 540 hours or more in a year.

Most vocational education and training participants are adults who are training or re-training for job-related purposes. Over one quarter of all vocational education and training participants in Australia are 40 years of age.

In fact, in Australia a vocational education and training student is far more likely to be an adult who is already employed and upgrading his or her job skills, than a young person who is studying in vocational education and training to gain an entry level vocational qualification. On the other hand, young people undertake more hours of training and are more likely to be full-time.

The overall rate of participation in vocational education and training in Australia is high. As mentioned earlier some 12% of the entire 15 to 64 year old population participated in vocational education and training in 1997. In terms of the different age groups, the participation rates in 1997 were:

- nearly 20% for 15 to 19 year olds
- 17% for 20 to 24 year olds
- nearly 7% for 25 to 64 year olds.

These figures do not include participation in other forms of education such as in schools and universities.

Australia is a highly urbanised country, yet around one-third of vocational education and training participants undertake their vocational education and training programme outside of a major metropolitan area (table 6). This is possible because most towns in Australia have a TAFE institute campus and because of the availability of correspondence and other distance learning options.

However, it is found that students in rural and remote areas, on average, undertake fewer hours of training per year than students in the cities.

Table 6: Geographic region of vocational education and training students in Australia, 1997

Characteristic	*Proportion of clients (%)*	*Proportion of total hours of training delivered (%)*	*Average hours per student*
Geographic region			
Capital city (a)	58.6	61.7	218
Other metropolitan (b)	7.1	7.5	219
Rural	29.6	25.1	176
Remote	3.5	2.7	160
Outside Australia	1.2	3.0	518
Total	100.0	100.0	207
Total '000)	1458.6	302,199.6	207

(a): 'Capital City' geographic regions consist of Australian Bureau of Statistics (ABS) State and Territory Capital City Statistical Divisions (Sydney, Melbourne, Brisbane, Adelaide, Perth, Hobart, Darwin and Canberra).

(b): 'Other metropolitan' geographic regions include Statistical divisions associated with urban centres of population greater than 100,000 (Geelong, Newcastle, Wollongong, Gold Coast and Tweed, Townsville-Thuringowa and Queanbeyan).

Source: NCVER 1998a

Australia has progressively improved its vocational education and training delivery to indigenous people, migrants and people whose first language is not English, to the point where such groups are equitably represented in the vocational education and training student population. However, people with disabilities and handicaps are still under-represented.

The amount and type of vocational education and training provided

The total amount of publicly-funded training provided by the vocational education and training sector in Australia is shown in table 7. In 1997 there were:

- 1.5 million students who undertook vocational education and training programmes
- almost 10 million subject enrolments in vocational education and training
- over 300 million hours of training delivered by the vocational education and training sector.

Table 7: Indicators of vocational education and training activity in Australia, 1997

Indicator	*Type of registered training organisation*			
	TAFE and other government	*Community education providers*	*Private providers and other*	*Total of all providers*
Number of students				
Number ('000)	1140.8	225.2	92.6	1458.6
Proportion (%)	78.2	15.4	6.4	100.0
Course enrolments (a)				
Number ('000)	1451.1	291.6	99.6	1844.2
Proportion (%)	78.9	15.8	5.4	100.0
Module enrolments				
Number ('000)	8738.7	365.6	776.5	9880.7
Proportion (%)	88.4	3.7	7.9	100.0
Training hours delivered				
Number (million)	272.0	11.0	19.2	302.2
Proportion (%)	90.0	3.6	6.4	100.0

(a): The number of course enrolments is greater than the number of students because some students undertake more than one course within a calendar year.

Source: NCVER 1998a

Some two-thirds of all training hours provided by vocational education and training in Australia were in just four fields of study (table 8):

- Business, administration and economics courses which accounted for almost 20% of total training hours in 1997.
- VET Multi-field education (that is, general vocational education, languages and preparatory courses) with just over 17% of total training hours.
- Engineering and surveying courses with just under 17% of total vocational education and training hours in 1997.
- Services, tourism and hospitality and transportation courses which accounted for 12% of total training hours delivered in 1997.

Similar patterns are observed in training activity in terms of subject enrolments in each area of learning (table 8). One-fifth of all module enrolments are in the administration, business economics and law area.

The other important areas of learning are mathematics and computing (13.2%), engineering and processing (12.4%) and social, education and employment skills (12.3%).

The overall pattern of vocational education and training undertaken in Australia is summarised by the information presented in table 9. The main characteristics are:

- Most enrolments are in the trades and skilled training area.
- Only a little over half of all course enrolments in 1996 were in programmes leading to a qualification.
- 16.5% of course enrolments (in 1996) were in programmes leading to statements of attainment (issued to those partially completing a qualification and indicating the units of competency achieved under nationally endorsed competency standards) or certificates of competency or proficiency, etc.
- 26.8% of enrolments (in 1996) were in non-award courses (courses not leading to a formally recognised qualification or to the issue of a statement of attainment, etc).

Table 8:The amount of training provided in each field of study and area of learning in Australia, 1997

Course field of study (a)	*Proportion of training hours provided (%)*	*Subject area of learning* (b)	*Proportion of total subject enrolments (%)*
Animal husbandry, land & marine resources	4.6	Agriculture and renewable resources	4.2
Architecture and building	6.5	Administration, business, economics & law	20.2
Arts, humanities and social sciences	8.2	Building and environment	4.5
Business administration and economics	19.3	Education	1.3
Education	1.3	Engineering and processing	12.4
Engineering and surveying	16.8	Health sciences	8.4
Health and community services	8.5	Hospitality, tourism and personnel services	9.5
Law and legal studies	0.6	Humanities	7.2
Science	4.5	Mathematics and computing	13.2
Veterinary science and animal care	0.2	Sciences	2.6
Services, hospitality and transport	12.1	Social, educational and employment skills	12.3
VET multi-field education	17.4	Social studies	1.2
Other	0.1	Visual and performing arts	3.0
Total (%)	100.0	Total (%)	100.0
Total hours (million)	302.2	Total subject enrolments ('000)	9880.7

(a): Field of study is a classification which describes the major subject matter of the course undertaken.

(b): Area of learning is a classification which describes the major content of each subject undertaken, independent of the course of which it is a part.

Source: NCVER 1998

Table 9: Course enrolments by qualification level in Australia, 1996

Qualifications	*Number of enrolments ('000)*	*Proportion of total enrolments (%)*
Full qualifications(a) still under old system		
Diploma	7.6	0.4
Associate Diploma	107.6	6.0
Advanced Certificate – post trade	9.7	0.6
Advanced Certificate – other	68.2	3.8
Certificate – trade	85.2	4.8
Certificate – not elsewhere classified	273.4	15.3
Sub-total in old system	551.7	30.9
Full qualifications under AQF framework(a)		
Advanced Diploma	28.4	1.6
Diploma	73.2	4.1
Certificate IV	69.0	3.9
Certificate III	130.7	7.3
Certificate II	99.0	5.5
Certificate I	54.8	3.1
Senior Secondary	6.2	0.3
Sub-total AQF	461.3	25.8
Sub-qualifications:		
Statements of Attainment	269.6	15.1
Certificates of Competency	20.0	1.1
Certificates of Proficiency	1.8	0.1
Endorsements to Certificates	3.3	0.2
Sub-total statements, etc.	294.7	16.5
Non-award/other	478.6	26.8
Total course enrolments	1786.3	100.0

(a): Qualifications awarded or being sought

Source: Robinson 1998a

Outputs and outcomes of VET

Just under two thirds (65%) of all modules undertaken in Australia's vocational education and training system in 1997 were completed successfully as shown in table 10. This means that a pass or credit for prior learning or studies done elsewhere was achieved in over 90% of cases where modules were both completed and assessed.

The information in table 8 also shows that only 25% of all module enrolments culminated in a fail. Some 20% were not assessed or were enrolments in modules that continued past the end of the 1997 calendar year.

Table 10: Assessment outcomes from participation in vocational education and training in Australia, 1997

Module Outcomes	*Proportion of module enrolments (%)*
Assessed and successful outcome gained	
Student assessed - pass	59.2
Status or credit granted through recognition of prior learning	2.3
Credit transfer granted for subjects completed elsewhere	3.3
Total successful	64.8
Assessed and successful outcome not gained	
Student assessed - fail	4.9
Student assessed - result withheld	2.2
Total unsuccessful	6.1
Not assessed	
Continuing in studies	5.0
Satisfactorily completed class hours but not assessed	5.7
Withdrew	8.8
Total not assessed	19.5
Outcome not reported	8.7
Total modules undertaken (%)	100.0
Total modules undertaken ('000)	9880.7

Source: NCVER 1998a

Another facet of the outputs from vocational education and training in Australia is the number of qualifications being issued. The number of qualifications reported as being issued in 1997 is shown in table 11.

Of the full vocational education and training qualifications awarded in Australia:
- 15% were Diplomas or Advanced Diplomas
- 17% were Certificate IV level qualifications
- 40% were Certificate III level qualifications
- the remaining 28% were Certificate I and II level qualifications.

It is important to note that the above qualifications data are incomplete because not all awards issued are reported and because not everyone who is eligible for an award is issued with one. Arrangements to improve awarding practices and reporting are currently under review in Australia.

The most important outcome from participation in vocational education and training is an employment outcome, for example, obtaining employment, changing from part-time to full-time employment, or securing a promotion. Moreover, most vocational education and training students in Australia cite a job-related reason as the main reason for undertaking their course. For example the results of the NCVER's 1997 TAFE Graduate Destination Survey show that the main reasons graduates gave for undertaking a TAFE course in 1996 were:
- to get a job or start a business (28.8%)
- for interest or personal development (13.6%)
- to get extra skills for an existing job (13.1%)
- to try for a different career (12.3%)
- to get a better job or promotion (12.0%)
- it was a requirement of their job (10.5%)
- to get into another course of study (6.4%)
- other reasons (2.5%)

Table 11: Vocational education and training qualifications issued in Australia, 1997

Type of awards issued (a)	*Number ('000)*	*Proportion (%)*
Full qualifications awarded		
Diplomas and Advanced Diplomas	23.8	7.5
AQF Certificate IV and equivalent	27.2	8.6
AQF Certificate III and equivalent	68.5	21.6
AQF Certificate I or II and equivalent	36.5	11.5
Total Full Qualifications	156.0	49.2
Sub-qualification level		
Other certificates and endorsements	12.7	3.9
Statements of attainment	65.8	20.7
Statements from courses of less than 50 hours duration	3.3	26.2
Total sub-qualification certificates/statements	161.4	50.8
Total awards issued	317.4	100.0

(a) Awards reported as being issued

Source: NCVER 1998a

The same survey traced the employment status of graduates as at May 1997, who had earlier undertaken their vocational education and training study, and graduated sometime during 1996. As shown in table 12, some 71% of graduates had obtained employment by 30 May 1997. Most were in full-time jobs. The employment outcomes were better for males, with 78% having jobs, than for females with only 66% having jobs.

Table 12: Employment outcomes of TAFE graduates in Australia, 1997

Labour Force Status at 30th May 1997	*TAFE Graduates who graduated during 1996 (%)*		
	Males	*Females*	*Total*
Employed			
Full Time	63.4	34.8	47.3
Part Time	10.6	26.8	19.7
Employed but type not stated	3.7	4.2	4.0
Total	77.7	65.8	71.0
Unemployed			
Seeking full-time work	10.8	10.3	10.5
Seeking part-time work	2.4	6.3	4.6
Total	13.2	16.6	15.1
Not in the labour force	9.0	17.5	13.8
Total	100.0	100.0	100.0

Source: NCVER 1997a

The survey also shows some 15% were unemployed and looking for full-time or part-time work, and just under 14% were not in the labour force (that is, neither employed or actively looking for a job).

Of course not all graduates were unemployed at the time of commencing their course. Some 36% had a full-time job before commencing their course. However, this rate rose to over 47% after graduation. Similarly, some 25% had a part-time job before commencing their courses, while the part-time employment rate fell to 20% after graduation.

These results emphasise the following two key aspects of the employment outcomes from vocational education and training in Australia:

- Graduates who have successfully completed a vocational education and training course significantly improve their overall employment situation.

- Successful completion of a vocational education and training course significantly improves the chances of moving from part-time to full-time employment.

Employer views of vocational education and training in Australia

Another set of outcomes from vocational education and training in Australia relates to employers' satisfaction with training provided and the impact of training on business productivity.

As shown in table 13, some 78% of all employers of vocational education and training graduates in Australia were satisfied or very satisfied with the vocational education and training provided. Large enterprises with 100 or more employees were slightly more satisfied than were employers running medium or small-sized enterprises.

Table 13: Employer satisfaction with vocational education and training in Australia, 1997

Satisfied or very satisfied with vocational education and training provided Number of employees	*Proportion of employers(%)*
Large enterprises (100 or more employees)	84
Medium enterprises (20 to 99 employees)	80
Small enterprises (1 to 19 employees)	77
All employers	78

Source: NCVER 1997b

Another important finding from the NCVER's Employer Satisfaction Survey is that nearly three quarters of employers in Australia who have employed a vocational education and training graduate within the last two years reported an increase in productivity that they attribute to the skills received from vocational education and training.

Employer investment in training in Australia

Over 60% of all employers in Australia reported the provision of some kind of structured or unstructured training to their employees during the year ending February 1997 (table 14). According to the Australian Bureau of Statistics (ABS) structured training refers to:

> *... all training activities which have a predetermined plan and format designed to develop employment-related skills and competencies. It consists of periods of instruction, or a combination of instruction and monitored practical work. The instruction can take the form of workshops, demonstration sessions or monitored self-paced training packages. It can also include structured on-the-job training.*
> (ABS 1998, p.66).

On the other hand, unstructured training refers to:

> *... training activity that does not have a specific content or predetermined plan. It includes unplanned training that is provided as the need arises and training activity that is not monitored such as self training through reading manuals or using self-training computer packages.*
> (ABS 1998, p.66).

The provision of structured or unstructured training by employers is widespread in medium and large enterprises in Australia. Virtually all large enterprises (that is, with more than 100 employees) provide some kind of training to the workforce, and some 94% of medium-sized enterprises (that is, with 20 to 99 employees) do likewise (as shown in table 13). However, these enterprises account for only 10% of Australia's enterprises, with large enterprises accounting for 2% of all enterprises and medium-sized enterprises accounting for 8%.

The small business sector (that is, one to 19 employees) accounts for some 90% of all enterprises in Australia. In this sector only a little over half of all small business reported an involvement in some kind of

structured or unstructured training during the year ending February 1997 (table 12). The smaller the business, the less likely it is that training (either structured or unstructured) will be provided. As shown in table 14, only 45% of employers in very small enterprises (with a workforce of 1 to 4 people) reported an involvement in training. These enterprises make up 63% of the small business sector.

Table 14: Employer provision of structured training in the last 12 months by enterprise size in Australia, 1997

Enterprise size	*Proportion of employers who provided structured and/or unstructured training (%)*	*Proportion of employers who provided structured training (%)*
Small business sector		
1-4 employees	45	20
5-9 employees	74	43
10-19 employees	86	60
All small business (1-19 employees)	57	30
Medium enterprises		
20-99 employees	94	71
Large enterprises		
100 or more employees	99	94
All employers	61	35

Source: Australian Bureau of Statistics 1998

Some three-quarters of small enterprises with five to nine employees provide training to their workforce. These enterprises account for 26% of the small business sector (table 14).

Only 14% of enterprises in the small business sector have a workforce in the 10 to 19 employee range, and 86% of these enterprises provide training to their employees (table 14).

In terms of the provision of some kind of structured or unstructured training, a widespread training culture exists in medium to large-sized enterprises in Australia. However, the pattern is rather different in the small business sector, which accounts for 90% of all Australia's enterprises, particularly in those enterprises with fewer than five employees, which dominate the sector.

The provision of structured training by employers indicates a higher level of commitment to training than unstructured training. Some 35% of employers provided structured training to their employees in the 12 months ending February 1997 (table 14). However, this figure different patterns of structured training provision in different sized enterprises. The overwhelming majority of large enterprises (94%) provided both structured and unstructured training to their employees. This indicates a substantial commitment to training in Australia, by the corporate sector and among large public sector organisations. Similarly, over 70% of all medium-sized enterprises provided structured training to their employees.

Only 30% of small business enterprises are involved in providing structured training to their employees. Considerable variation occurs within the small business sector itself, with only 20% of enterprises with one to four employees involved in structured training, whereas 60% of enterprises with 10 to 19 employees provide structured training to their employees (table 14).

There are also variations across industries (table 15):

- The government administration and defence industry stands out as one where virtually all enterprises provide structured or unstructured training to their employees.
- Other industries with a much higher than average proportion of enterprises which provide training are electricity, gas and water; education; and personal and other services.
- Industries which have around average proportions of enterprises which provide training are manufacturing; health and community services; finance and insurance; wholesale trade; retail trade; and property and business services.
- Those industries well below the industry average are culture and recreational services; mining; communication services; and accommodation, cafes and restaurants.

- The transport and storage and construction industries are the only industries where fewer than half of all enterprises provided structured or unstructured training to their employees.

Table 15: Employers in Australia providing structured and/or unstructured training in the last 12 months, by industry, 1997

Industry	*Employers providing training (%)*	*Employers not providing training (%)*	*All employers (%)*
Mining	54	46	100
Manufacturing	68	32	100
Electricity, gas and water	87	13	100
Construction	47	53	100
Wholesale trade	61	39	100
Retail trade	60	40	100
Accommodation, cafes and restaurants	55	45	100
Transport and storage	43	57	100
Communication services	54	46	100
Finance and insurance	68	32	100
Property and business services	60	40	100
Government, administration and defence	99	1	100
Education	76	24	100
Health and community services	68	32	100
Cultural and recreational services	50	50	100
Personal and other services	78	22	100
All employers	61	39	100

Source: Australian Bureau of Statistics 1998

These variations suggest clear patterns concerning industry's commitment to training. Those industries with a high proportion of large enterprises or public sector enterprises appear to have an 'ingrained training culture' whereas industries with a high proportion of small firms, or casual or sub-contracted labour, reveal a much lower commitment to training.

In terms of employer expenditure on training, employers in Australia spent $A 1,178.8 million on structured training during the 1996 September quarter as shown in table 16. These results are from ABS surveys of employers' training expenditure patterns for the period July to September 1996. Full year training expenditure figures are not available. However, if we extrapolate the survey results to the whole of 1996, then some $A4.7 billion was spent by employers on structured training in 1996.

Just under 47% of total expenditure on structured training by Australian employers was for the wages and salaries of their employees for the time they were receiving structured training. The cost of paying fees to trainers accounted for a further 40% of the total spent by employers on structured training. The remaining 13% of the total cost of structured training met by employers was for other items such as training equipment and materials, training venues, accommodation and travel (table 16).

Table 16: The components of employer expenditure on structured training in Australia, September quarter 1996

Item	*Actual ($A million)*	*Proportion (%)*
Employee's wages and salaries for time receiving training	549.2	46.6
Cost of wages and salaries of in-house trainers	271.9	23.1
Fees paid to consultants and other institutions	204.2	17.3
Other expenditure such as training materials, equipment, travel, accommodation and meals, training venues, payments to industry training bodies	153.4	13.0
Total structured training expenditure	1,178.8	100.0

Source: Australian Bureau of Statistics 1997

In terms of total training expenditure, almost 70% was spent on training conducted in-house. Only 30% was conducted by external consultants or training institutions such as Technical and Further Education (TAFE) institutes.

This expenditure provided an average of $A185 per employee being spent on structured training by employers during the July to September 1996 period, accounting for an average of almost five hours of structured training per employee during the three-month period (table 17). The $A1.179 billion spent by employers on structured training during the September quarter of 1996 amounted to 2.5% of the total payroll for the period.

Table 17: Measures of employer provision of structured training in Australia, September quarter 1996

Indicator	*Amount*
Total training expenditure	$A1.179 billion
Expenditure per employee	$A185
Training per employee	4.9 hours
Employers providing structured training	17.8%
Proportion of payroll spent on structured training	2.5%

Source: Australian Bureau of Statistics 1997

The really critical issue with respect to the patterns of employer expenditure on structured training is the different patterns between small, medium and large employers (table 18). Large companies and public sector agencies (with at least 100 employees) spend almost four times as much per employee on structured training than do small enterprises (with less than 20 employees). Large employers spent nearly twice as much per employee on training than medium-sized organisations (with 10 to 99 employees).

Only 13% of small employers spent money on training for their employees during the September quarter of 1996, whereas 50% of medium-sized employers and nearly 90% of all large employers provided expenditure for structured training during the September quarter of 1996 (table 18).

Table 18: Measures of employer expenditure on structured training by enterprise size in Australia, September quarter 1996

Indicator	*Less than 20 employees*	*20-99 employees*	*100 or more employees*	*All employers*
Total training expenditure ($A million)	115.0	168.4	895.4	1178.8
Expenditure per employee ($)	71	136	256	185
Training per employee (hours)	2.4	3.8	6.5	4.9
Proportion of employers providing training (%)	13.4	50.5	88.3	17.8
Proportion of total payroll spent on structured training (%)	1.2	1.9	3.2	2.5

Source: Australian Bureau of Statistics 1997

Important features of Australia's vocational education and training system

A clear national policy for vocational education and training

The Australian experience suggests that having a clear national policy statement is an essential ingredient in any consistent national development of a vocational education and training system. Agreement was recently reached among Australian ministers for training over a new national policy statement for the five years to 2003. The policy issued by the Australian National Training Authority (ANTA) — *A bridge to the future: Australia's national strategy for vocational education and training 1998-2003* — outlines:

- a national mission statement for the vocational education and training sector
- five key national objectives for vocational education and training in Australia to underpin the mission statement
- a set of national strategies and agreed processes to achieve each of the objectives
- national monitoring arrangements, including the adoption of seven key performance measures through which to gauge progress in implementing the national vocational education and training policy (ANTA 1998a).

This is the third national vocational education and training strategy developed in Australia. The important aspect here is the process embarked upon to gain widespread consensus about what the key objectives for vocational education and training are.

Essential elements of any successful national framework for VET should include:

- widespread consultations about the appropriate direction to take that goes well beyond discussions among various government officials or colleges and other training providers
- extensive discussions with clients of the training system (including industry representatives, students and apprentices and trainees)
- consideration of the key issues that are separate from the development of other education policies for schooling or universities so that the work-related nature of VET is emphasised and maintained
- the framing of national objectives for vocational education and training that can be measured and monitored so that progress can be reviewed.

Moving towards lifelong learning

The notion that skill learning and re-learning must continue throughout one's lifetime is gradually becoming an ingrained feature of Australia's economic, social and cultural landscape and, consequently, of the Australian vocational education and training system. Australia has developed a vocational education and training system which is very broad in its coverage and scope. It's now the case that nearly two-thirds of those who enrol in vocational education and training in Australia each year are over 25 years of age (table 5). Moreover, most enterprises in Australia with more than 10 employees provide some kind of training to their employees.

It has been recognised in Australia that it is no longer sufficient to have a vocational education and training system which is focussed mainly on preparation of youth for entry to the workforce. There are two main reasons for this:

- On the *demand* side, technological change and other changes stemming from globalisation of economies around the world are now so rapid that people cannot expect to work in the same occupation or industry over a lifetime. Even within particular work areas, changes are occurring continuously.
- On the *supply* side, the average age of the workforce, as in most countries, is increasing. There will be relatively fewer young people in the workforce than in the past. Therefore, skill formation policies must also be focussed on the adult workforce.

Developing advanced and high level skills training

One of the characteristic features of the Australian vocational education and training system is its diverse and comprehensive coverage, from short programmes to intensive advanced programmes, across a wide

range of skill areas. The range and diversity of Australia's vocational education and training system is clearly reflected in the statistics on participation and participation patterns previously discussed.

Over one-third of the total hours of training delivery each year are in advanced level courses (that is, AQF Diploma, Advanced Diploma and Certificate IV programmes). Also, a majority of apprentices and trainees undertake a programme at AQF level III or higher. Advanced and high-level skills training is particularly important for high-technology industries.

Competency-based training

Australia has been developing and implementing a competency-based training system for the past decade or more. Competency-based training is probably the most critical feature which distinguishes the Australian vocational education and training from many other vocational education and training systems.

The aim of competency-based training is to ensure that vocational education and training programmes better meet the needs of industry and Australia's enterprises.

The industry training organisation network in Australia, consisting of Industry Training Advisory Bodies (ITABs), has been heavily involved in:

- identifying the competencies required by industry from formal training at different levels
- developing industry competency standards for each training programme with a system of national training packages for each industry
- identifying the qualifications that are included in each industry's national training package
- developing assessment guidelines for assessing whether or not required competencies specified in national training packages have been achieved by each trainee.

There has been widespread agreement in Australia to make vocational education and training more relevant to industry needs, rather than to continue with the previous system where training providers largely determined the content of vocational education and training courses.

However, the introduction of competency-based training has not been without controversy, which is to be expected with such a major reform. Certainly, the success of competency-based training has varied considerably across the sector.

Perhaps the most controversial element was to shift the focus heavily away from curriculum content and standard amounts of time in each level of training, towards assessing only the competencies required in each case. It has been argued that this is leading to a short-term focus on specific tasks and skills related to existing jobs, with insufficient emphasis on broader vocational knowledge and general skills that are required in the continuous shift in technological knowledge, particularly in emerging technologically based industries and occupations.

There have also been criticisms that the development of competency-based training in Australia has been overly complex and focussed on too much detail prescribed at the national level, with industry bureaucracies replacing the government bureaucracies that once existed.

Incorporation of a focus on the competencies needed in different areas of the labour market is an essential feature of any world class training system. However, care is needed to ensure general skills and more general vocational knowledge are also included, where appropriate, in vocational programmes so that training is not limited to the short-term and immediate needs of industry.

Longer term industry and national considerations are even more important. Those skills that will improve the future job mobility of individuals as nations continually adjust to the unrelenting pressures for structural and technological change are more important now than at any time in the past.

The development of an industry-led training sector

The development of new strategies to ensure that the skills developed in training programmes are highly relevant to existing and future needs of industry is an essential feature of any effective training system.

Australia has embarked upon developing an industry led vocational education and training system of several levels. These include:

- the Australian National Training Authority (ANTA) being established with an industry board in the early 1990's to promote the national development of Australia's vocational education and training sector
- each State/Territory training authority has a high-level industry-based training board
- ITABs incorporated across all industries and States and Territories into the process of developing industry standards for the competencies required by each industry at each level of training
- and more recently, TAFE institutes and local training providers that work directly with local employers and industries to provide training programmes that more directly meet their needs.

The latter is currently the least developed area in Australia. This presents a great potential for further developing a system which better meets employer needs and which provides individuals with vocational education and training programmes that will maximise their job prospects in the future. This needs to be complemented with measures to encourage greater industry investment in training (see Robinson 1998b).

Flexible delivery and the modularisation of training delivery

The modularisation of vocational education and training programmes involves breaking up longer courses into shorter programmes (such as subjects) that can be assessed on completion. This has promoted the enrolment of a more diverse range of students in vocational education and training, particularly adults who are already employed. Modules have encouraged people to take shorter bouts of training to meet a particular skill acquisition need, without requiring them to immediately enrol in a full vocational education and training course leading to a qualification.

The modularised training system in Australia had the following characteristics in 1997:

- some 1.46 million people enrolled in one or more publicly funded vocational education and training courses or programmes
- this amounted to 1.84 million courses
- it is involved enrolment in 9.88 million modules and the provision of over 300 million hours of training
- but only 55% of enrolments were in programmes leading immediately to a Diploma or Certificate qualification.

More work is needed in Australia to make sure all publicly funded training articulates with one or more full qualification programmes, should participants decide to do further vocational education and training modules in the future. Similarly, better mechanisms to record the training already successfully completed (such as the development of a national skills passport system) also needs further exploration.

Australia's vocational education and training system is based on the concept of flexible delivery of training. The various training pathways described in this report were developed historically to:

- ensure people from rural and remote areas in Australia could gain equitable access to vocational education and training programmes
- encourage more adults needing to upgrade skills to undertake vocational education and training by providing more part-time, night time, weekend, and open learning options to participate in training
- provide alternative learning options to some disadvantaged groups of Australians, such as indigenous people, people with special learning needs and people with different language requirements.

More recently, the focus has also been on ensuring that there are more work-based and non-classroom pathways for vocational education and training to ensure skills gained are more relevant to industry needs.

These policies have had great success in Australia. Equitable vocational education and training participation is now largely occurring between rural and urban Australia and among different ethnic groups. More needs to be done, however, to improve vocational education and training access to people with disabilities.

Establishing competition among training providers

Australia has adopted a policy of increasing competition among training providers. Increasing amounts of funding, that was once exclusively allocated to TAFE institutes and other public training providers, have been made available for competitive tendering. By 1997, nearly 17% of vocational education and training clients were enrolled with non-TAFE providers, although 95% of the total training hours were still delivered by TAFE.

This policy has certain advantages as it has provided:

- a greater choice of training provider for industry and individual clients
- the development of specialist private training providers in new areas that were previously under-serviced
- more efficient training delivery which has led to lower unit costs in some cases
- the development of a competitive environment with a much greater focus on meeting customer needs.

However, some people find this policy controversial, arguing that competition has lead to a reduction in quality because of its focus on cost of delivery, and dissipation of funds that were once directed to the enhancement of the public TAFE system.

The impact of development of a training market in Australia is documented in detail in the book *The market for vocational education and training*, (Robinson and Kenyon 1998).

The key issue is that such policies have produced more focus on students, which is essential. The Australian experience also indicates that considerable reform can be achieved by providing relatively small amounts of funding through a competitive process. It is also important to maintain a high quality public training system.

A strong system of public training institutions

As mentioned above, Australia has recently developed strategies to develop competition among training providers and to foster the growth of private training providers so that the clients of training have greater choice in where they obtain their training.

Notwithstanding these developments, the hallmark of the Australian system of vocational education and training over the past 30 years has been a policy developed by successive governments to establish and develop a comprehensive system of public TAFE colleges and institutes across the nation. The overwhelming majority of publicly funded vocational education and training is provided through the 100 or so TAFE institutes and other government providers in around 1,000 campuses across Australia.

Virtually every town in Australia has a TAFE institute campus or annex. Where such local facilities are not available many TAFE courses can be undertaken by correspondence or some other distance learning mode. Participation rates in rural and remote parts of Australia are at or above the rates for capital city and other metropolitan areas (NCVER 1999).

Australia's current vocational education and training system, involving a very diverse offering of vocational education and training at different levels to such a high proportion of the total population, would simply not be possible without a strong system of public TAFE institutes and other public vocational education and training providers.

Of course, there is still more to be done to ensure that vocational education and training providers, including TAFE, are even more responsive to client needs than is currently the case.

A framework for the national recognition of vocational education and training

A key development in the Australian vocational education and training system has been the adoption of the Australian Recognition Framework (ARF).

The ARF Framework is a comprehensive approach to the national recognition of vocational education and training across all States and Territories of Australia and involves the national registration and quality assurance of training organisations seeking to:

- deliver training
- assess competency outcomes
- issue vocational education and training qualifications under the Australian Qualification Framework (AQF).

Organisations can be registered under the ARF to be able to operate in two areas:

1. the provision of training delivery, assessment and the issuing of nationally recognised AQF qualifications
2. the provision of skill recognition or assessment services only for the issuing of nationally recognised AQF qualifications.

These arrangements are based on the following two key principles:

- a requirement for any AQF qualifications issued by a registered training organisation or any State/Territory training authority to be recognised by any other State/Territory training authority or registered training organisation across Australia
- a system of quality assurance to register training organisations.

These arrangements commenced on 1 January 1998 and replaced a system where each training course was assessed for national accreditation, instead of registering the training organisation.

The features of the ARF are described further in the document *Australian Recognition Framework Arrangements* (ANTA 1998b).

A focus on outputs and outcomes

A very important development in the Australian vocational education and training system has been the focus on outputs and outcomes from the vocational education and training sector. This focus accompanied the shift from a largely provider-determined training system to an industry and demand-led training system.

The *outputs* from vocational education and training refer to the qualifications, skills and competencies achieved from undertaking a vocational education and training programme. Robinson (1998) described this in the following way:

> *Conceptually, the key outputs of the vocational education and training sector can be viewed in the following ways:*
>
> - *the qualifications attained by people successfully completing vocational education and training programmes that are valued by employers and widely recognised as currency in the labour market*
> - *the skills and competencies gained by individuals to improve their economic and labour market prospects and/or to improve their skills to enable them to do their current jobs better*
> - *the skills and competencies required by business to improve the bottom line of business enterprises in terms of productivity, profitability, etc. and to contribute to Australia's overall economic competitiveness.*
>
> *A deliberate distinction is being made here between the core outputs of vocational education and training (i.e. skills and qualifications) and outcomes from vocational education and training such as gaining new employment, obtaining new skills to gain promotions or new jobs of gaining new skills to increase job security in existing employment.*

In recent years, Australia developed two nationally consistent frameworks for vocational education and training qualifications, namely, the Australian Qualifications Framework (AQF) and the Australian Recognition Framework (ARF) arrangements, described earlier in the report.

Further processes are currently underway to:

- develop a set of agreed protocols to ensure nationally consistent policies are in place in each State and Territory in relation to how qualifications are awarded to vocational education and training students and trainees around Australia
- develop a nationally consistent approach to the measurement of outputs at the sub-qualification level (referred to in Australia as 'units of competence').

The outcomes from vocational education and training (as distinct from the outputs) refer to ultimate outcomes from vocational education and training for individual students and trainees or for Australia's enterprises who rely on the vocational education and training sector to meet all or part of their skill requirements. The outcomes for individuals include:

- gaining their first employment
- improving job prospects through greater job security, gaining a promotion or a better job, more hours of work, moving from part-time to full-time employment, etc.
- increasing employment income as a result of gaining new skills.

The outcomes for employers include:

- improvements in productivity as a result of skills gained from VET
- satisfaction that the vocational education and training system is meeting enterprise skill requirements.

The National Centre for Vocational Education Research (NCVER) conducts regular national surveys to gauge the outcomes from vocational education and training. These include:

- a Graduate Destination Survey (GDS) to measure the employment outcomes of TAFE graduates
- an Employer Satisfaction Survey (ESS) to measure the level of employer satisfaction with vocational education and training provision and to ascertain employers views about the impact of vocational education and training on enterprise productivity.

The NCVER has developed a broader vocational education and training student outcomes survey that was conducted in 1999 to look at the job outcomes of all vocational education and training students, and not just graduates from TAFE in programmes of at least 200 hours duration.

A highly developed statistical information base is an essential ingredient to developing a training system that better meets the needs of both individuals and industry clients of the sector. It is essential that such systems place as much focus on measuring the outcomes as they do on measuring student characteristics, training activity and the costs of training.

Research and evaluation to improve VET

Australia is the only country the authors are aware of that has developed and published a national policy to govern its research and evaluation effort in vocational education and training. The policy, called *The National Research and Evaluation Strategy for Vocational Education and Training in Australia 1997-2000* (NCVER 1997c), commenced in July 1997. It was developed by the NCVER in conjunction with the ANTA to:

- increase Australia's national vocational education and training research and evaluation effort
- prioritise the national vocational education and training research undertaken to improve the quality of decision making about vocational education and training by policy makers and planners, training authorities and training providers, industry bodies, employers and enterprises, students and trainees, teachers and trainers and others with an interest in the vocational education and training sector.

Of particular importance in the policy is the dissemination of research results to interested parties in addition to carrying out various research projects as part of a co-ordinated national programme of research

and evaluation work. Robinson and Guthrie (1998) reported that nearly 50 research projects were undertaken or commenced in the first year of the policy and that a further 35 projects have already been agreed to or commenced for 1998-99. National funding of over $A2.5 million per annum is directed towards the policy by the ANTA and the NCVER.

The comprehensive national programme of research and evaluation has already begun to prove useful in developing strategies for continuous improvement and quality enhancement of the Australian vocational education and training sector.

A wide range of information about education and training is routinely available, via a range of sources, to facilitate research, evaluation, policy formulation, planning and reporting. As a result of co-operative arrangements among the States and Territories, Australia has an annual collection of vocational education and training data which provides information about students, courses and the outcomes of training. Annual collections of financial data and quarterly collections of apprenticeship and traineeship data are also undertaken. The data collections are periodically reviewed and refined by the National Training Statistics Committee.

Information about the Australian vocational education and training system is reported to the United Nations Organisation for Economic Co-operation and Development (OECD). However, it is often found that the OECD international reporting framework is inappropriate for Australia because of the diversity and complexity of the Australian system.

Apprenticeship and traineeship schemes in Australia

A very significant feature of Australia's vocational education and training system is the apprenticeship system. The system has been in place in one form or another in Australia since 1805. It developed from the British system of indentured apprentices which has operated for hundreds of years.

Apprentices undertake a combination of on-the-job training in the workplace and formal, off-the-job training with a training provider. The training arrangements are covered by a legal contract which is binding on both the apprentice and his or her employer.

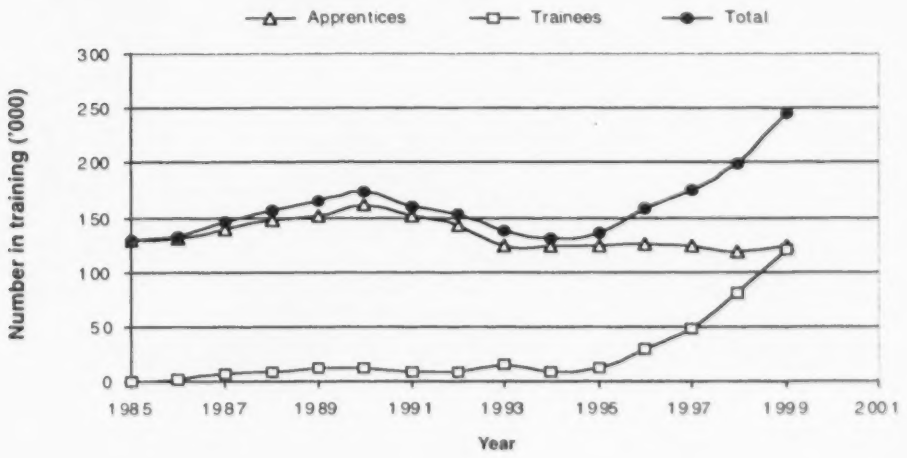
Historically, apprenticeships in Australia conventionally involved people under 20 years of age, four years in a training contract, typically with one day per week off-the-job training in a TAFE college or other accredited provider and four days per week training on-the-job. Apprenticeships were restricted to certain trade-based occupations, largely in the manufacturing, building, construction, printing and hairdressing areas. Apprentices are paid lower wages than fully qualified and skilled tradespersons in the same field. Age barriers on traditional apprenticeships were removed during the 1980s.

In 1985 Australia introduced a new form of structured training for young people called traineeships. The intention was to expand structured training for young people to a range of new industry areas not covered by traditional apprenticeships, such as agriculture, horticulture, manufacturing utilities and transport and storage. More recently areas such as sales in retailing, tourism and hospitality have become more important. In 1993/94 other initiatives were announced, including access to traineeships by adults for the first time. This contributed to the very strong growth in traineeships since 1995.

Like apprenticeships, traineeships involved one day per week, or sometimes two days, in off-the-job training. Trainees are paid lower wages than fully trained adult workers already trained and working in the same areas.

The number of apprentices and trainees in a contract of training with an employer reached record levels of over 240,000 in 1999. This is significant growth from under 130,000 in 1985 (figure 3).

Figure 3: Apprentices and trainees in training at 30 June, 1985 to 1999



Source: National Centre for Vocational Education Research Ltd

The key features of apprenticeship and traineeship trends are:

- Rapid growth in the four-year apprenticeships from 1985 to the early 1990s
- Rapid decline in apprenticeship numbers from the early to the mid 1990s, with numbers in training at 30th June each year stabilising since 1993 at around 123,000.
- A major expansion in shorter traineeships since 1995, from 12,000 to over 120,000 in 1999.
- An increase (from 1998 to 1999) in the number of apprentices and trainees undertaking training contracts at AQF level III or higher and for more than two years expected duration.

The removal of all age barriers to participation in apprenticeships and traineeships has changed the age profile of apprentices and trainees. The proportion of 15 to 19 year olds in training has fallen from 38% in 1995 to 30% in 1998, while the proportion of people aged 25 years or more has risen from 10% in 1995 to 25% in 1998. However, it should be noted that the actual number of young people undertaking an apprenticeship or traineeship has increased (table 19), from 54,580 in 1995 to 66,970 in 1998.

Table 19: Characteristics of apprentices and trainees in Australia, 1997

	Number in training ('000)		*Proportion of the age cohort (%)*	
	1995	*1998*	*1995*	*1998*
Age group				
15 to 19 years	54.58	66.97	5.7	6.2
20 to 24 years	75.31	97.50	3.8	5.4
25 years and over	15.10	55.31	0.1	0.5
Total	144.99	219.81	0.8	1.2
Sex				
Male	119.98	158.75	1.3	1.7
Female	25.01	61.06	0.3	0.6
Persons	144.99	219.81	0.8	1.2

Source: National Centre for Vocational Education Research Ltd.

Another important feature of the development of Australia's apprenticeship and traineeship system is the shift which has occurred in the type of occupations in which apprentices and trainees are engaged, particularly in the last decade.

Some of the traditional trades areas in the metal trades, manufacturing, building and electrical areas, have declined in relative importance (table 20). The shifts in the patterns of apprentice and trainee training have in large part followed changes in the occupational structure of the Australian workforce as a whole.

The most recent development of the apprenticeship and traineeship system in Australia was the establishment of New Apprenticeships on 1st January 1998. The New Apprenticeships system covers all former apprenticeships and traineeship arrangements and no longer recognises the distinction between apprenticeships and traineeships which formerly existed.

There are now no restrictions on the occupations covered. Flexible, rather than fixed amounts of on-the-job and off-the-job training can now be provided according to employer and trainee requirements. Other important features of the New Apprenticeship system include:

- 'User choice', where employers can select their own vocational education and training provider for the formal (that is, off-the-job) component.
- The option of undertaking the formal part of the training entirely in the workplace.
- Allowing training contracts to apply to part-time as well as full-time employment situations.
- The option of commencing the training programme while still at school.
- Subsidies and incentive payments to employers to encourage them to take on New Apprentices, to encourage training at higher skill levels (as measured by the level in the Australian Qualifications Framework), and to encourage successful completion of the training programme.

Table 20: Occupational categories of apprentices and trainees in Australia, 1985 and 1997

Occupation	*Number ('000) (a)*		*Proportion (%)*	
	1985	*1997*	*1985*	*1997*
Managers and administrators	0.0	1.8	0.0	1.0
Professionals	0.0	0.2	0.0	0.1
Para-professionals	0.0	3.2	0.0	1.8
Metal trades	44.5	21.4	34.6	12.2
Electrical	18.3	16.8	14.2	9.6
Building	21.9	24.3	17.1	13.8
Printing	3.4	3.2	2.6	1.8
Vehicle trades	6.0	21.2	4.7	12.1
Food	11.0	17.1	8.6	9.8
Horticulture	(b)	3.2	(b)	1.8
Hairdressing	(b)	9.7	(b)	5.5
Clerks	0.0	13.9	0.0	7.9
Salespersons and personal services	0.0	16.8	0.0	9.6
Plant and machine operators and drivers	0.0	2.2	0.0	1.3
Labourers and related workers	0.0	12.9	0.0	7.4
Miscellaneous/other	23.5	7.5	18.2	4.3
Total	128.6	175.4	100.0	100.0

(a) Number in training contracts on 30th June

(b) Horticulture and Hairdressing were counted in the miscellaneous category in 1995

Source: National Centre for Vocational Education Research Ltd

Although New Apprenticeships are an important part of the Australian vocational education and training system, and in 1999 approximately 6% of young people were employed under an apprenticeship or a traineeship, the importance of this mode of training should not be overstated. For example, in recent years the number of Australians involved in an apprenticeship or traineeship in a year is only about 20% of the number who undertake vocational education and training with providers in receipt of public funds.

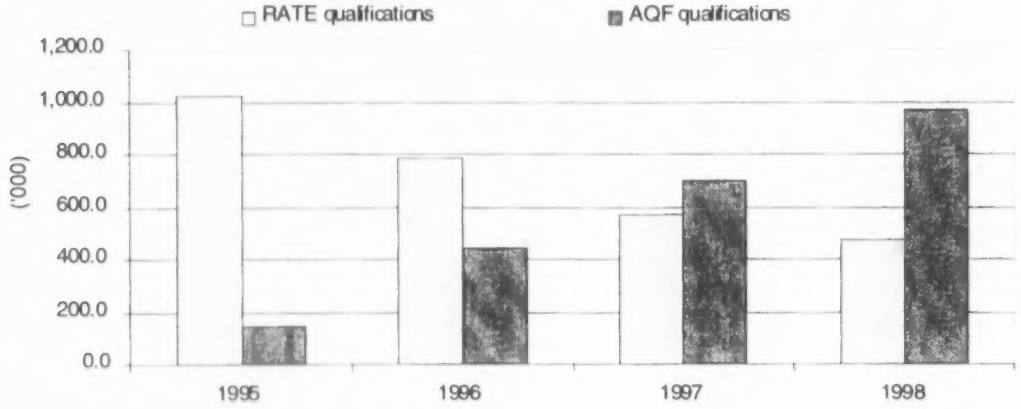
The vocational education and training certification system in Australia

Students who successfully complete the requirements of a recognised course or training package qualification with a registered training organisation are entitled to a certificate confirming this. Status or credit for subjects or units of competency completed with another training provider, or through recognition of prior learning, should be taken into account when determining entitlement to a recognised qualification. In most instances the certificate is issued by the registered training organisation on application by the student.

The types and levels of recognised qualifications are defined in the Australian Qualifications Framework, as discussed previously, or may be equivalent-level qualifications for courses accredited under pre-AQF arrangements ('RATE' qualifications).

Figures 4 and 5 show the transition from the pre-AQF RATE qualifications to AQF qualifications from 1995 to 1998, in terms of both course enrolments and award completions. Half of all enrolments in 1998 were in AQF qualifications.

Figure 4: Transition from old RATE qualifications to AQF qualifications, course enrolments, 1995 to 1998

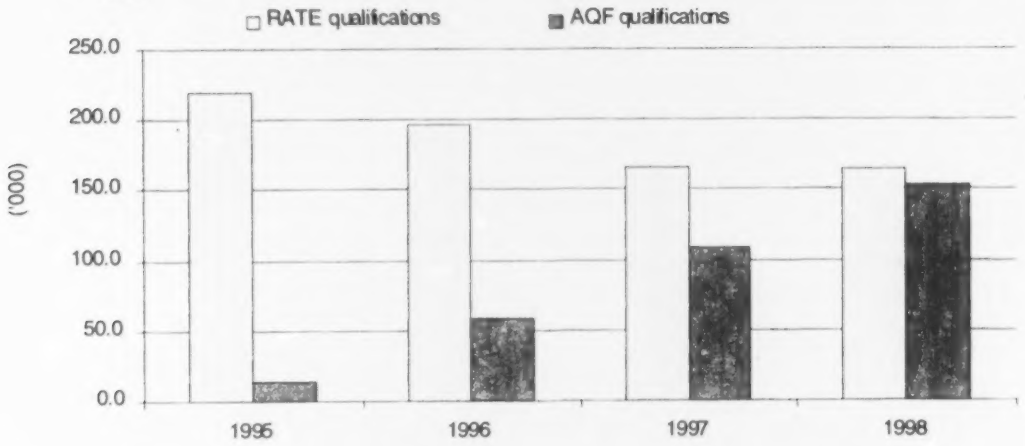


Students who have successfully completed one or more subjects or training-package units of competency with a registered training organisation are also entitled to formal certification of their achievement. This is usually provided in the form of a statement of attainment.

Standards for units of competency are specified in national training packages, while standards for subjects which form part of national courses are specified in curriculum documentation. Teaching staff are required to follow these standards when assessing their students. The use of externally set examinations was once widespread in the TAFE sector (the major provider of vocational education and training) but has been largely superseded by local assessment arrangements, which may be tailored to meet the needs of students and employers while still maintaining the specified standards for competency.

Under the Australian Recognition Framework quality assurance is a responsibility of State and Territory training authorities, and quality assurance requirements are included in the criteria which each training provider must meet. Although external checking of standards is not a major feature of the certification system, feedback from employers via the regular employer satisfaction survey conducted by the National Centre for Vocational Education Research does not indicate any widespread dissatisfaction with standards or with the certification issued to students.

Figure 5: Transition from old RATE qualifications to AQF qualifications, qualification completions, 1995 to 1998



Accreditation of vocational education and training programmes in Australia

A fundamental feature of the Australian vocational education and training system is that training programmes which lead to the awarding of recognised qualifications must be accredited. In the past this accreditation was generally given at the State or Territory level via accreditation boards established by the State and Territory training authorities. Occasionally, training programmes were also developed and approved at a local level by an institute of technical and further education (TAFE).

Since the early 1990s, however, arrangements have been made to ensure that all courses and subjects accredited by State and Territory training authorities are available and formally recognised throughout the whole country. Accreditation under these arrangements was usually for a period of five years, and national courses and modules (i.e. subjects) were listed on a national register. However, these arrangements are now being replaced by a system of national training packages which are designed to meet industry requirements and are approved at national rather than State or Territory level.

As noted previously, an important change took effect on 1 January 1998 with the introduction of arrangements which move the emphasis to the registration of training organisations (RTOs), with associated quality assurance requirements. These arrangements, in conjunction with the implementation of national training packages, will eventually replace the system where each training course was assessed for national accreditation. Moreover, it is expected that the majority of national courses will be replaced eventually by programmes structured around nationally endorsed training packages.

However, since training packages are industry-specific, not all vocational education and training activity will necessarily be covered by national training packages. In particular, many general education programmes, pre-vocational programmes and programmes which are designed as preparation for vocational education and training, may not be covered by national training packages.

In national training packages the focus of training is on outputs, specified in terms of qualifications and units of competency which are the building blocks of qualifications. The training packages are developed under the supervision of industry training advisory boards and submitted to a national recognition body for approval. Once approved they are published and distributed by Australian Training Products.

Details of national training packages are placed on the National Training Information System (NTIS), an electronic resource which can be accessed via the internet. It includes details of the registered training organisations which are approved to conduct each training programme and issue qualifications. The NTIS replaces the former National Register of courses and modules. However, to facilitate the transition to the new arrangements, the NTIS also includes listings of current national courses.

Training package qualifications and units of competency are recognised nationally. Moreover, the new arrangements enable students to move more freely among registered training organisations (RTOs) and even to undertake one part of a qualification with one RTO and the remainder with another. These possibilities are important in a country as large as Australia, where students or workers sometimes travel great distances to undertake their training or to take up employment.

Quality assurance is generally the responsibility of State and Territory training organisations, who have overall responsibility for the management and delivery of publicly-funded training programmes and for monitoring, provision and the issuing of recognised qualification by non-government organisations[4]. Quality assurance requirements are included in the registration requirements for all RTOs, both government and non-government.

[4] A small number of programmes for Aboriginal and Torres Strait Islanders are funded directly by the Commonwealth Department of Education, Training and Youth Affairs and do not directly involve a State or Territory training authority.

Accredited programmes present a number of important advantages for both students and training providers:

- They allow recognised qualifications or statements of attainment to be awarded, facilitating flexibility and portability.
- Public funding is only provided for accredited programmes. This is important for non-government providers who tender on a competitive basis for public funds, while for students, undertaking an accredited, publicly-funded programme generally means lower fees.
- Under the arrangements for the Goods and Services Tax (GST) which take effect on 1 July 2000, fees charged for accredited vocational education and training programmes will be exempt from the GST but non-accredited programmes will be subject to the GST.

Finally, it should be noted that much of the training undertaken in the private sector and by employees takes the form of short, specific-purpose programmes designed for a particular student group. The majority of this training falls outside the arrangements for formally accredited programmes but is none-the-less important in Australia's vocational education and training system.

Accreditation of vocational education and training providers in Australia

Accreditation of vocational education and training providers is now covered by the Australian Recognition Framework (ARF), which was implemented from 1 January 1998. Under these arrangements accreditation of both public (that is, government) and private (that is, non-government) providers is covered by a single framework. The arrangements are discussed in more detail in an earlier section (see 'A framework for the national recognition of vocational education and training').

Before 1998, the following separate arrangements existed for public and private providers of vocational education and training:

- For public providers, no formal registration or quality assurance requirements existed as these providers were established under government legislation or regulations. However, many TAFE institutes were subject to the requirements specified in performance agreements with State and Territory training authorities, and many also sought and obtained endorsement as quality-endorsed organisations under the International Standards Organisation 9000 series standards.
- Registration requirements existed for private and community providers. The specific requirements varied among the State and Territory training authorities. However, in all cases registration requirements had to be met before a provider could receive public funds.

A number of State and Territory training authorities continue to use performance agreements as a means of managing delivery by public providers and to ensure accountability. These performance agreements specify, among other things, the amount and type of vocational education and training to be delivered, the amount of money which will be paid for the delivery, and in some cases output targets with associated payment provisions.

When private providers receive public funds to deliver training, the State or Territory training authority enters into a formal contract with the provider.

For private providers, the advantages of being a registered training organisation (RTO) are:

- It allows the provider to bid for and receive public funds to deliver vocational education and training programmes.
- It allows the provider to issue nationally recognised qualifications, making the programmes offered by the provider more attractive to would-be students.
- Under the user-choice arrangements for New Apprenticeships, providers are allowed to deliver or supervise the formal component of the training of New Apprentices and to receive payment for this service.

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ISBN 0 87397 612 6